

## Monthly Fact Sheet 30 September 2018

<b>Launch Date</b>	20th October 2014
<b>Fund Size</b>	£296m
<b>Historic Yield (%)*</b>	0.93

### Share Price (as at 30.09.18)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	216.84p	223.80p

### Investment Objective and Policy

The objective of the Fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

### Fund Managers



#### James Baker

a history graduate from Cambridge University, has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK Small and Mid caps stock selection. He has

worked for several organisations over the years, but most notably spent 11 years from 1999 to 2011 as part of the ABN Amro, Small Mid cap sales team, which was consistently top ranked by Extel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



#### Edward Booth

graduated from the London School of Economics with a degree in Economics with Economic History, and qualified as a Chartered Accountant at Deloitte, where he focused on

the Insurance sector. Prior to joining Chelverton, he worked as a Business Analyst for Barclays, focusing on a number of areas including Investment Bank Revenue and Group Capital performance.

\*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

## MI Chelverton UK Equity Growth Fund

### Monthly Manager Commentary

Given the events of the last few days, the Fund's gentle outperformance against its UK All Companies benchmark in September doesn't merit any further commentary. The market correction over this week has seen a particularly severe sell-off in AIM stocks, in a market risk-off response to tightening US monetary policy, exacerbated by concerns about potential changes to IHT relief in the forthcoming budget, and in global industrials as investors take fright over the potential impact from Trump's trade war with China. With its growth mandate the Fund has a heavy AIM weighting largely to get exposure to technology stocks with their structural growth dynamics, which are for the most part listed on the junior market. So far, the sell-off has been fairly indiscriminate with AIM stocks in general being perceived as high risk even if they have strong balance sheets and high levels of revenue visibility and whatever their sector, with economically less correlated stocks being under the cosh just as much as more economically sensitive ones.

One area where we feel AIM is particularly exposed is in the very highly valued momentum stocks in the Index. Throughout the Fund's life but particularly over this summer, a key theme for us as managers has been to keep the Fund's average forward PE valuation in check by selling down the most highly rated stocks and finding more attractively priced alternatives from our screened investable universe. This process continued through September with the Fund exiting Games Workshop, after a sustained period of outperformance, and reducing its holdings in RWS, Ideagen, Tatton, and Iomart. On the buy tack, we added to several of our more lowly rated holdings and started to buy back into three of the Fund's previous holdings, which had de-rated significantly recently, namely Restore, IQE and Hill & Smith. The overall effect of these actions has meant that even before the correction the Fund was trading towards the bottom end of the average forward PER valuation it has traded on since launch. The subsequent sell-off, particularly in AIM stocks, means that the valuation is now at its lowest since launch.

From a company news perspective, our holdings which updated the market in September all reported in line or positive news. Whilst we saw a slightly higher number of warnings than usual in the first half of the year, the Fund has so far come through the autumn reporting season pretty much unscathed, with only one warning from Amino Technologies in October caused by the impact of the trade tariffs on customer ordering patterns. Consequently, trading updates have had a minimal impact on the performance of our AIM holdings, the fall has been down mainly to perceived risk. From our point of view the quality of a business is demonstrated by its market position, margins, balance sheet and ability to turn profit into cash not its Market Index. We screen our portfolio holdings for these qualities and base our investment decisions on them. We cannot be sure how long the sell-off in AIM stocks will go on for, but for a growth fund we feel that valuations are now presenting compelling value.

### Performance Since Launch (%)



### Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	6.44	-0.15	1.00	7.12	14.14	82.84	123.80
Sector Rank	23/254	111/260	24/260	153/256	6/254	1/239	1/233
Quartile Ranking	1st	2nd	1st	3rd	1st	1st	1st
IA UK All Companies (%)	1.21	-0.57	-1.26	7.54	5.18	33.13	44.01

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 30.09.2018

### Discrete Annual Performance

	30.09.17	30.09.16	30.09.15	30.09.14	30.09.13
	30.09.18	30.09.17	30.09.16	30.09.15	30.09.14
Fund (%)	14.14	32.24	21.14	-	-
IA UK All Companies (%)	5.18	13.27	11.86	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 30.09.2018

Monthly Fact Sheet  
**30 September 2018**

**ACD**  
Maitland Institutional Services Limited

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Maitland Institutional Services Limited

**Income Paid** Anually

**XD Dates** 31 December

**Valuation** 12 Noon

**Codes (B Shares)**

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

**Annual Management Fee (%)**

B Shares 0.75

**Minimum Investment**

B Shares £1,000

**Ongoing Charge (%)**

B Shares 1.00

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**FURTHER INFORMATION**

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**springcapital**

## MI Chelverton UK Equity Growth Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Future plc	Media	2.2
2. Strix	Industrials	2.0
3. Tarsus Group	Media	1.9
4. Polypipe Group	Construction	1.8
5. CentralNic	Technology	1.8
6. Clinigen	Healthcare	1.8
7. XP Power	Industrials	1.7
8. Castleon Technology	Technology	1.7
9. Tyman	Construction	1.7
10. Diversified Gas & Oil	Resources	1.6
11. Renew Holdings	Support Services	1.6
12. Coats Group	Industrials	1.6
13. Equiniti Group	Support Services	1.6
14. XPS Pensions Group	Support Services	1.6
15. Alliance Pharma	Healthcare	1.5
16. Liontrust Asset Management	Financials	1.5
17. Elektron Technology	Industrials	1.5
18. Brooks MacDonald	Financials	1.5
19. JTC	Financials	1.5
20. Quixant	Technology	1.5

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Technology	22.9
Industrials	22.3
Financials	11.7
Support Services	9.7
Healthcare	7.7
Consumer	7.6
Media	5.9
Construction	5.3
Resources	3.9
Cash	3.0

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	14.6	13
£500m - £1bn	15.8	15
£250m - £500m	32.0	26
£100m - £250m	18.4	21
Below £100m	16.2	24
Cash and Income	3.0	N/A
<b>Total</b>	<b>100.0</b>	<b>99</b>

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Maitland Institutional Services Limited are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email Chelverton@maitlandgroup.co.uk or call +44 (0) 1245 459 962.